PRINCIPAL FACTORS FOR PUBLIC-PRIVATE PARTNERSHIP (PPP) IMPLEMENTATION IN VIETNAM: A MIXED METHODS STUDY

ANH TUAN LA

Supervisor panel: Assoc. Prof. Judy Johnston, Dr. Karen Wang and Assoc. Prof. Antoine Hermens

A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy

Business School
University of Technology Sydney

2016

ABSTRACT

Public-Private Partnerships (PPPs) involve a combination of two motivators: (1) profit for the private sector; and, (2) efficiency and savings for the public sector. This approach, which has become increasingly popular as a way of procuring and maintaining public infrastructure, is being adopted by many governments around the world. However, employing the PPP approach is not always positive and depends on each country context. This study investigates the principal factors for PPP implementation in a developing country (Vietnam). It explores their criticality using a mixed quantitative and qualitative methods sequential explanatory strategy. The study also uses a confirmatory factor analysis technique to address the potential drawbacks of the conventional mean value analysis method, and adopts a two-dimensional importance analysis approach to illustrate the co-variances among factors. The differences between North and South Vietnam, and between the public and private sectors concerning the importance of these factors, are additionally investigated in this study.

The results of this study confirm 37 from a pool of 84 factors suitable for PPP implementation in Vietnam, of which 23 important factors are identified and explained. This study also indicates four additional success factors in the context of Vietnam, including **Stable government policies**, **Support from civilians**, **Attention and care of top leaders**, and **Coordination between relevant governmental departments and Ministries**. In addition, the study's findings prove the suitability of the adoption of the PPP approach in the Vietnamese context. Although no evidence was found for the significant differences between the public and private sectors on the importance of these factors, the results indicate a significant difference regarding the importance of the success factor **Stable macro-economic condition** between North and South Vietnam. Apart from the economic aspects, other elements were found to significantly contribute to the differences of PPP implementation between the two regions. These include: political aspects; infrastructure and weather conditions; and, cultural and human matters. Considering a combination of the most critical factors for PPP implementation in Vietnam obtained from the integration of the quantitative and qualitative findings, this

study proposes an ideal model of the principal factors contributing the success of PPP implementation in Vietnam at the early stages of the PPP process. Compared with the results obtained in other countries, this study further indicates 13 important factors, irrespective of different jurisdictions. The remaining 10 factors are considered differently among the countries, depending on each country context.

The findings of this study have theoretical, methodological and practical value. The theoretical contributions include: this study provides a comprehensive review of the field and specifically of the principal factors for PPP implementation by using a three-stage method of a combined quantitative systematic and content analysis approach; it puts Vietnam on the map of PPP research in specific terms, possibly for use in future comparative, replicative research by showing dysfunctional, haphazard or incomplete models of PPPs in action in Vietnam; and, it provides a comparison for perceiving the important principal factors between countries, sectors, and the two halves of Vietnam, finally shown on an ideal model of PPPs in the country. In addition, it contributes four new success factors of PPP projects that emerged in the context of Vietnam to the existing literature on PPPs. Regarding methodological contributions, this study employs a new methodology approach to allow for a better understanding of the research problem by using a mixed methods design, and the application of techniques to address and present the co-variances between factors. This study also has implications for practice in that it constitutes a basis analysis for the government and the private sector of: how to adopt and identify PPP projects; and, how to attract private sector participation in PPP projects. It is believed that this useful information will help to minimise the current issues of PPP implementation in Vietnam.

CERTIFICATE OF ORIGINAL AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree, nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Date: 18/10/2016

Signature of Student:

ANH TUAN LA

ACKNOWLEDGMENTS

It is now time for me to say thanks to all of the people who have helped me during my PhD study. It has been a long and challenging journey. Thanks to companionship, I have never been alone all along during this journey to reach a fulfilling and rewarding completion.

First, I would like to express my grateful thanks to both my principal supervisor, Associate Professor Judy Johnston and my co-supervisor, Dr. Karen Wang. They guided me through each critical point of my thesis, at all times providing me with invaluable advice and comments. Their knowledge, experience, and enthusiasm encouraged me to believe in my capacity to complete the thesis. Without their kind support and warm encouragement, this thesis would not have been completed.

I also would like to thank my alternative supervisor, Associate Professor Antoine Hermens for his comments and suggestions, which improved the quality of this thesis greatly.

My special thanks go to Associate Professor Deborah Edwards for her valuable academic advice and kind support. She guided me through the process of finishing the thesis. I also owe a debt of gratitude to Emeritus Professor Jenny Edwards, who facilitated the proofreading of the thesis.

I also wish to express my gratitude to Dr. Estelle Dryland for agreeing to be the editor of the thesis and for her wonderful editing and proofreading.

I own a further debt of gratitude to the Ministry of Education and Training of Vietnam, and to the University of Technology Sydney for awarding me a joint scholarship to study a PhD course in Australia. I also acknowledge the team from the Public Procurement Agency under the Ministry of Planning and Investment of Vietnam, who helped me conduct a survey of the principal factors for Public-Private Partnership implementation in Vietnam.

Last but not least, thank you so much to my two beloved boys Phuc Minh La and Phuc Thanh La, who gave me emotional encouragement, and especially

to my wife Thao Quyen Dang for her never-ending sacrifice for me. Without their love, encouragement and support, I would not have had the strength and determination to overcome the difficulties and challenges that are a vital part of PhD achievement.

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LIST OF ACRONYMS

BLT Build-Lease-Transfer

BTL Build-Transfer-Lease

BOO Build-Own-Operate

BOOT Build-Own-Operate-Transfer

BOT Build-Operate-Transfer

BT Build-Transfer

BTO Build-Transfer-Operate

BVCF Best Value Contributing Factor

CFA Confirmatory Factor Analysis

CPI Corruption Perceptions Index

CPIA Country Policy and Institutional Assessment

CPV Communist Party of Vietnam

CSF Critical Success Factor

DB Design-Build

DBFO Design-Build-Finance-Operate

DBFOM Design-Build-Finance-Operate-Maintain

DBM Design-Build-Maintain

DBO Design-Build-Operate

DBOM Design-Build-Operate-Maintain

EFA Exploratory Factor Analysis

GDP Gross Domestic Product

ICOR Incremental Capital and Output Rate

MVA Mean Value Analysis

ODA Official Development Assistance

OM Operate-Maintain

P3 Public-Private Partnership

PFI Private Finance Initiative

PFP Privately Financed Projects

PMU Project Management Unit

PPI Private Participations in Infrastructure

PPP Public-Private Partnership

PSC Public Sector Comparator

PSP Private-Sector Participation

PSPP Public Socialisation Private Partnership

SME Small and Medium-sized Enterprise

SOE State-Owned Enterprise

SPV Special Purpose Vehicle

VFM Value for Money

VND Vietnam Dong